

107TH CONGRESS
2D SESSION

H. R. 5678

To provide assistance for employees who are separated from employment as a result of reductions in service by air carriers, and closures of airports, caused by terrorist actions, security measures, or a military conflict with Iraq.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 16, 2002

Mr. OBERSTAR (for himself, Mr. LIPINSKI, Mr. LARSEN of Washington, Mr. HONDA, Ms. MILLENDER-McDONALD, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. PASCRELL, Mr. CUMMINGS, Mr. MASCARA, Ms. NORTON, Mr. CARSON of Oklahoma, Ms. BROWN of Florida, Mr. DEFazio, Mr. RAHALL, Mr. COSTELLO, Mr. HOLDEN, Mr. BLUMENAUER, Mr. NADLER, Mr. BERRY, Mr. CAPUANO, Mr. MENENDEZ, Mr. BOSWELL, Mr. BORSKI, Mr. SANDLIN, Ms. BERKLEY, Mr. BAIRD, Mr. MATHESON, Mr. LAMPSON, and Mr. FILNER) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committees on Ways and Means, Energy and Commerce, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide assistance for employees who are separated from employment as a result of reductions in service by air carriers, and closures of airports, caused by terrorist actions, security measures, or a military conflict with Iraq.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Airline Worker Relief Act”.

4 (b) TABLE OF CONTENTS.—The table of contents of
5 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—ELIGIBILITY AND PROGRAM BENEFITS

Sec. 101. Definitions.
Sec. 102. Petitions and determinations.
Sec. 103. Program benefits.
Sec. 104. Administration.
Sec. 105. Regulations.
Sec. 106. Application and construction.
Sec. 107. Authorization of appropriations.

**TITLE II—HEALTH INSURANCE COVERAGE OPTIONS FOR
ELIGIBLE INDIVIDUALS**

Sec. 201. Premium assistance for COBRA continuation coverage for eligible in-
dividuals and their families.
Sec. 202. State option to provide temporary medicaid coverage for certain unin-
sured individuals.
Sec. 203. State option to provide temporary coverage under medicaid for the
unsubsidized portion of COBRA continuation premiums.
Sec. 204. Definitions.

TITLE III—OTHER BENEFITS

Sec. 301. Temporary extension of TEUCA for qualifying individuals.
Sec. 302. Preference for eligible individuals in hiring of airport security screen-
ing personnel.
Sec. 303. Performance incentive awards for hiring eligible employees.

6 **TITLE I—ELIGIBILITY AND**
7 **PROGRAM BENEFITS**

8 **SEC. 101. DEFINITIONS.**

9 In this Act:

10 (1) AFFECTED AREA.—The term “affected
11 area” means an area that the Secretary determines
12 has a substantial number of eligible employees.

1 (2) AIR CARRIER.—The term “air carrier”
2 means an air carrier that holds a certificate issued
3 under chapter 411 of title 49, United States Code.

4 (3) COBRA CONTINUATION COVERAGE.—

5 (A) IN GENERAL.—The term “COBRA
6 continuation coverage” means coverage under a
7 group health plan provided by an employer pur-
8 suant to title XXII of the Public Health Service
9 Act, section 4980B of the Internal Revenue
10 Code of 1986, part 6 of subtitle B of title I of
11 the Employee Retirement Income Security Act
12 of 1974, or section 8905a of title 5, United
13 States Code.

14 (B) APPLICATION TO EMPLOYERS IN
15 STATES REQUIRING SUCH COVERAGE.—Such
16 term includes such coverage provided by an em-
17 ployer in a State that has enacted a law that
18 requires the employer to provide such coverage
19 even though the employer would not otherwise
20 be required to provide such coverage under the
21 provisions of law referred to in subparagraph
22 (A).

23 (4) ELIGIBLE EMPLOYEE.—The term “eligible
24 employee” means an individual who has become to-
25 tally or partially separated, or is threatened to be-

1 come totally or partially separated, from employment
2 with an air carrier, employment at a facility at an
3 airport, employment that involves the provision of
4 transportation to or from an airport, or employment
5 with an upstream producer or supplier for an air
6 carrier, as a consequence of—

7 (A) reductions in service by an air carrier
8 as a result of a terrorist action or security
9 measure, as determined by the Secretary;

10 (B) a closure of an airport in the United
11 States as a result of a terrorist action or secu-
12 rity measure, as determined by the Secretary;
13 or

14 (C) a military conflict with Iraq that has
15 been authorized by Congress, as determined by
16 the Secretary.

17 (5) SECRETARY.—The term “Secretary” means
18 the Secretary of Labor.

19 (6) SUPPLIER.—The term “supplier” means a
20 firm that produces component parts for, or articles
21 and contract services considered to be a part of the
22 production process or services for, another firm.

23 (7) TERRORIST ACTION OR SECURITY MEAS-
24 URE.—The term “terrorist action or security meas-
25 ure” means a terrorist attack on the United States

1 on September 11, 2001, or a security measure taken
2 in response to the attack.

3 (8) UPSTREAM PRODUCER.—The term “up-
4 stream producer” means a firm that performs addi-
5 tional, value-added, production processes, including
6 firms that perform final assembly, finishing, or
7 packaging of articles, for another firm.

8 (9) OTHER TERMS.—Terms defined in section
9 247 of the Trade Act of 1974 shall have the mean-
10 ings given the terms in that section.

11 **SEC. 102. PETITIONS AND DETERMINATIONS.**

12 (a) PETITIONS.—A petition for a certification of eligi-
13 bility to apply for adjustment assistance under this Act
14 may be filed with the Secretary by a group of workers
15 or by their certified or recognized union or other duly au-
16 thorized representative. The Secretary shall comply with
17 the notice requirements of section 221 of the Trade Act
18 of 1974 with respect to the petition.

19 (b) CERTIFICATION.—

20 (1) IN GENERAL.—The Secretary shall certify a
21 group of workers as eligible to apply for adjustment
22 assistance under this Act if the Secretary determines
23 that a significant number or proportion of the work-
24 ers in such workers’ firm or an appropriate subdivi-
25 sion of the firm are eligible employees.

1 (2) CERTIFICATIONS WITH AND WITHOUT PETI-
2 TIONS.—The Secretary shall certify—

3 (A) a group that files a petition under sub-
4 section (a) and meets the requirements of para-
5 graph (1); and

6 (B) any other group that the Secretary de-
7 termines meets such requirements.

8 (3) OTHER GROUPS.—A group described in
9 paragraph (2)(B) shall be deemed to have filed a pe-
10 tition under subsection (a) on the date of the certifi-
11 cation, for purposes of this Act (other than sub-
12 sections (a) and (c)).

13 (c) DETERMINATIONS.—

14 (1) PETITIONING GROUPS.—As soon as possible
15 after the date on which a petition is filed under sub-
16 section (a), but in any event not later than 40 days
17 after that date, the Secretary shall determine wheth-
18 er the petitioning group meets the requirements of
19 subsection (b)(1) and shall issue a certification of
20 eligibility to apply for adjustment assistance under
21 this Act covering workers in any group that meets
22 such requirements.

23 (2) OTHER GROUPS.—Not later than 30 days
24 after the date of enactment of this Act, the Sec-
25 retary shall determine groups of workers (other than

1 petitioning groups) that meet the requirements of
2 subsection (b)(1) and shall issue a certification of
3 eligibility to apply for adjustment assistance under
4 this Act covering workers in any group that meets
5 such requirements. In issuing the certifications, not
6 later than 30 days after the date of enactment of
7 this Act, the Secretary shall issue certifications cov-
8 ering all employees of air carriers.

9 (3) PROCEDURES.—The Secretary shall issue
10 and terminate such certifications in accordance with
11 section 223 of the Trade Act of 1974.

12 (d) INFORMATION.—The Secretary shall provide the
13 information, assistance, and notice described in section
14 225 of the Trade Act of 1974 with respect to certifications
15 made under subsection (b), and agreements entered into
16 and benefits available under this Act.

17 **SEC. 103. PROGRAM BENEFITS.**

18 (a) DETERMINATIONS.—The Secretary shall deter-
19 mine, with respect to an eligible employee covered by a
20 certification issued by the Secretary under section 102,
21 whether—

22 (1) the employee is unlikely to return to the in-
23 dustry involved;

1 (2) the employee is likely to return to that in-
2 dustry, but unlikely to return to the employee's pre-
3 vious occupation in the industry; or

4 (3) the employee is likely to return to that occu-
5 pation.

6 (b) DIFFERENT INDUSTRY OR OCCUPATION.—If the
7 Secretary determines that an eligible employee described
8 in subsection (a) meets the requirements of paragraph (1)
9 or (2) of subsection (a) and engages in appropriate job
10 search activities, and that the employee and any training
11 approved by the Secretary for the employee meet the re-
12 quirements of paragraphs (1) and (3) of section 236(a)
13 of the Trade Act of 1974, the employee shall be provided,
14 in the same manner and to the same extent as an em-
15 ployee covered under a certification under subchapter A
16 of chapter 2 of title II of the Trade Act of 1974, 1 or
17 more of the following:

18 (1) Employment services described in section
19 235 of the Trade Act of 1974 (including, in the case
20 of an eligible employee in an affected area, employ-
21 ment services provided through programs developed
22 and conducted through partnerships between public
23 agencies, employers, and labor organizations).

24 (2) Training that consists of—

1 (A) training (including supplemental as-
2 sistance) described in section 236 of the Trade
3 Act of 1974, notwithstanding the provisions of
4 section 236(a)(2) of such Act;

5 (B) training for a position requiring dif-
6 ferent technical skill than the original position;
7 or

8 (C) in the case of an eligible employee in
9 an affected area, training provided through pro-
10 grams developed and conducted through part-
11 nerships between public agencies, employers,
12 and labor organizations.

13 (3) Readjustment allowances described in sec-
14 tions 231 through 234 of the Trade Act of 1974, ex-
15 cept that—

16 (A) an eligible employee is not required to
17 enroll in training to receive such an allowance;
18 and

19 (B) the reference in section 233(a)(1) of
20 the Trade Act of 1974 to “52” shall be consid-
21 ered to be a reference to “78”.

22 (4) Job search allowances described in section
23 237 of the Trade Act of 1974.

24 (c) SAME INDUSTRY AND OCCUPATION.—If the Sec-
25 retary determines that an eligible employee described in

1 subsection (a) meets the requirements of subsection
2 (a)(3), the employee shall be provided, in the same manner
3 and to the same extent as an employee covered under a
4 certification under subchapter A of chapter 2 of title II
5 of the Trade Act of 1974, 1 or more of the following:

6 (1) Employment services described in section
7 235 of the Trade Act of 1974 (including, in the case
8 of an eligible employee in an affected area, employ-
9 ment services provided through programs developed
10 and conducted through partnerships between public
11 agencies, employers, and labor organizations).

12 (2) Readjustment allowances described in sec-
13 tions 231 through 234 of the Trade Act of 1974, ex-
14 cept that—

15 (A) an eligible employee is not required to
16 enroll in training to receive such an allowance;
17 and

18 (B) the reference in section 233(a)(1) of
19 the Trade Act of 1974 to “52” shall be consid-
20 ered to be a reference to “78”.

21 (d) EMPLOYEES NOT ELIGIBLE FOR UNEMPLOY-
22 MENT INSURANCE.—An eligible employee who is totally
23 separated from employment in a State who does not meet
24 the requirements of paragraphs (2) through (4) of section
25 231(a) of the Trade Act of 1974 shall be provided, under

1 this Act, only an allowance, for a period of 26 weeks, in
2 the amount of the average weekly benefit received by an
3 individual in the State under the State unemployment in-
4 surance program during the most recent 52-week period
5 for which data are available.

6 (e) PREMIUM ASSISTANCE FOR COBRA CONTINU-
7 ATION COVERAGE AND OTHER HEALTH CARE ASSIST-
8 ANCE.—In the case of an individual who is eligible for ben-
9 efits under subsection (b) or (c), the individual is also eli-
10 gible for health care benefits under title II.

11 **SEC. 104. ADMINISTRATION.**

12 The provisions of subchapter C of chapter 2 of title
13 II of the Trade Act of 1974 shall apply to the administra-
14 tion of the program under this Act in the same manner
15 and to the same extent as such provisions apply to the
16 administration of the program under subchapters A and
17 B of chapter 2 of title II of the Trade Act of 1974, except
18 that—

19 (1) the agreement between the Secretary and
20 the States described in section 239 of the Trade Act
21 of 1974 shall specify the procedures that will be
22 used to carry out the certification process under sec-
23 tion 102, the procedures for providing relevant data
24 by the Secretary to assist the States in making pre-

1 liminary findings under section 102, and the adjust-
2 ment assistance described in section 103;

3 (2) the provisions of such subchapter C relating
4 to training shall not be applicable under this Act;
5 and

6 (3) the provisions of such subchapter shall
7 apply to COBRA continuation coverage under sec-
8 tion 103(e) to the extent specified by the Secretary.

9 **SEC. 105. REGULATIONS.**

10 The Secretary—

11 (1) may issue interim regulations to carry out
12 this Act, notwithstanding chapters 5 and 7 of title
13 5, United States Code; and

14 (2) shall issue final regulations to carry out this
15 Act in accordance with such chapters.

16 **SEC. 106. APPLICATION AND CONSTRUCTION.**

17 (a) APPLICATION.—For purposes of applying provi-
18 sions of chapter 2 of title II of the Trade Act of 1974
19 under this Act, references in such chapter—

20 (1) to a worker shall be considered to be ref-
21 erences to an eligible employee;

22 (2) to a benefit shall be considered to be ref-
23 erences to the corresponding benefit provided under
24 this subsection to an eligible employee; and

1 (3) to a provision of chapter 2 of title II of the
2 Trade Act of 1974 shall be considered to be ref-
3 erences to the corresponding provision of this Act.

4 (b) CONSTRUCTION.—

5 (1) NO IMPACT ON TRADE ADJUSTMENT AS-
6 SISTANCE.—Nothing in this Act shall be construed
7 to modify or affect title II of the Trade Act of 1974.

8 (2) NO IMPACT ON EXISTING AGREEMENTS AND
9 BENEFITS.—Nothing in this Act shall be construed
10 to diminish the obligation of an employer to comply
11 with any collective bargaining agreement or any em-
12 ployment benefit program or plan.

13 **SEC. 107. AUTHORIZATION OF APPROPRIATIONS.**

14 (a) IN GENERAL.—There is authorized to be appro-
15 priated and there is appropriated to carry out this title
16 a total of \$2,100,000,000 for fiscal years 2003 and 2004.

17 (b) ADMINISTRATION.—There are authorized to be
18 appropriated and there are appropriated such sums as
19 may be necessary for the administration of this Act for
20 fiscal years 2003 and 2004 (but not more than
21 \$37,500,000).

22 (c) DESIGNATION.—Congress designates the entire
23 amounts described in subsections (a) and (b) as emer-
24 gency requirements pursuant to section 252(e) of the Bal-
25 anced Budget and Emergency Deficit Control Act of 1985.

1 **TITLE II—HEALTH INSURANCE**
2 **COVERAGE OPTIONS FOR ELI-**
3 **GIBLE INDIVIDUALS**

4 **SEC. 201. PREMIUM ASSISTANCE FOR COBRA CONTINU-**
5 **ATION COVERAGE FOR ELIGIBLE INDIVID-**
6 **UALS AND THEIR FAMILIES.**

7 (a) ESTABLISHMENT.—Not later than 90 days after
8 the date of enactment of this Act, the Secretary of the
9 Treasury, in consultation with the Secretary of Labor,
10 shall establish a program under which 75 percent of the
11 premium for COBRA continuation coverage shall be pro-
12 vided for an eligible individual (as defined in section
13 204(3)) who is also eligible for COBRA continuation cov-
14 erage. Payment of such premium assistance may be made
15 through appropriate direct payment arrangements with
16 the group health plan or health insurance issuer involved.
17 The Secretary may require documentation of election of
18 benefits or proof of premium payment as a condition for
19 the receipt of such assistance.

20 (b) LIMITATION OF PERIOD OF PREMIUM ASSIST-
21 ANCE.—Premium assistance provided in accordance with
22 this section shall end with respect to an eligible individual
23 on the earlier of—

24 (1) the date the eligible individual is no longer
25 covered under COBRA continuation coverage; or

1 (2) 18 months after the date the eligible indi-
2 vidual is first enrolled in the premium assistance
3 program established under this section.

4 (c) PAYMENT ARRANGEMENTS; CREDITING OF AS-
5 SISTANCE.—

6 (1) PROVISION OF ASSISTANCE.—Premium as-
7 sistance shall be provided under the program estab-
8 lished under this section through direct payment ar-
9 rangements with a group health plan (including a
10 multiemployer plan), an issuer of health insurance
11 coverage, an administrator, or an employer as appro-
12 priate with respect to the eligible individual provided
13 such assistance.

14 (2) PREMIUMS PAYABLE BY INDIVIDUAL RE-
15 DUCED BY AMOUNT OF ASSISTANCE.—Premium as-
16 sistance provided under this section shall be credited
17 by the group health plan, issuer of health insurance
18 coverage, or an administrator against the premium
19 otherwise owed by the individual involved for
20 COBRA continuation coverage.

21 (d) PROGRAM REQUIREMENTS.—Premium assistance
22 shall be provided under the program established under this
23 section to any eligible individual. An eligible individual
24 may apply for such assistance at any time during the pe-

1 riod in which the individual is eligible for benefits under
 2 subsection (b) or (c) of section 103.

3 (e) DISREGARD OF SUBSIDIES FOR PURPOSES OF
 4 FEDERAL AND STATE PROGRAMS.—Notwithstanding any
 5 other provision of law, any premium assistance provided
 6 to, or on behalf of, an eligible individual under this section,
 7 shall not be considered income or resources in determining
 8 eligibility for, or the amount of assistance or benefits pro-
 9 vided under, any other Federal public benefit or State or
 10 local public benefit.

11 (f) CHANGE IN COBRA NOTICE.—

12 (1) GENERAL NOTICE.—

13 (A) IN GENERAL.—In the case of notices
 14 provided under section 4980B(f)(6) of the In-
 15 ternal Revenue Code of 1986, section 2206 of
 16 the Public Health Service Act (42 U.S.C.
 17 300bb–6), section 606 of the Employee Retirement
 18 Income Security Act of 1974 (29 U.S.C.
 19 1166), or section 8905a(f)(2)(A) of title 5,
 20 United States Code, with respect to eligible in-
 21 dividuals who become entitled to elect COBRA
 22 continuation coverage under subsection (a),
 23 such notices shall include an additional notifica-
 24 tion to the recipient of the availability of pre-
 25 mium assistance for such coverage under this

1 section and for temporary medicaid assistance
2 under section 203 for the remaining portion of
3 COBRA continuation premiums.

4 (B) ALTERNATIVE NOTICE.—In the case of
5 COBRA continuation coverage to which the no-
6 tice provision under such sections does not
7 apply, the Secretary of the Treasury, in con-
8 sultation with the Secretary of Labor, shall, in
9 coordination with administrators of the group
10 health plans (or other entities) that provide or
11 administer the COBRA continuation coverage
12 involved, assure the provision of such notice.

13 (C) FORM.—The requirement of the addi-
14 tional notification under this paragraph may be
15 met by amendment of existing notice forms or
16 by inclusion of a separate document with the
17 notice otherwise required.

18 (2) SPECIFIC REQUIREMENTS.—Each additional
19 notification under paragraph (1) shall include—

20 (A) the forms necessary for establishing
21 eligibility and enrollment in the premium assist-
22 ance program established under this section in
23 connection with the coverage with respect to
24 each eligible individual;

1 (B) the name, address, and telephone num-
2 ber necessary to contact the administrator and
3 any other person maintaining relevant informa-
4 tion in connection with the premium assistance;
5 and

6 (C) the following statement displayed in a
7 prominent manner:

8 “You may be eligible to receive assistance with pay-
9 ment of 75 percent of your COBRA continuation coverage
10 premiums and with temporary medicaid coverage for the
11 remaining premium portion for a duration of not to exceed
12 12 months.”.

13 (3) MODEL NOTICES.—Not later than 90 days
14 after the date of enactment of this Act, the Sec-
15 retary of the Treasury shall prescribe models for the
16 additional notification required under this sub-
17 section.

18 (g) EXTENSION OF 60-DAY COBRA CONTINUATION
19 ENROLLMENT PERIOD.—Notwithstanding any other pro-
20 vision of law, in the case of an eligible individual who has
21 not elected COBRA continuation coverage during the 60-
22 day enrollment period otherwise provided for such cov-
23 erage, if such enrollment period began before the date of
24 the enactment of this Act—

1 (1) the group health plan involved shall provide
2 for notice of the type described in paragraph (1);
3 and

4 (2) the 60-day enrollment period shall be
5 deemed to begin again as of the first date premium
6 assistance becomes available with respect to the indi-
7 vidual under this Act. In the case of such individ-
8 uals.

9 (h) WAIVER OF BREAK-IN-COVERAGE PROVISIONS.—
10 For purposes of applying section 701(c)(2) of the Em-
11 ployee Retirement Income Security Act of 1974, section
12 2701(c)(2) of the Public Health Service Act, and section
13 9801(c)(2) of the Internal Revenue Code of 1986, any ref-
14 erence to a “63-day period” is deemed to be extended to
15 include such additional periods as the Secretary deter-
16 mines appropriate in order to ensure access to health care
17 benefits through guaranteed issue and without the appli-
18 cation of underwriting for individuals qualifying for pre-
19 mium assistance under this Act.

20 (i) REPORTS.—On the date that is 6 months after
21 the date of enactment of this Act, and annually thereafter,
22 the Secretary of the Treasury shall submit a report to
23 Congress regarding the premium assistance program es-
24 tablished under this section that includes the following:

1 (1) The status of the implementation of the
2 program.

3 (2) The number of eligible individuals provided
4 assistance under the program as of the date of the
5 report.

6 (3) The average dollar amount (monthly and
7 annually) of the premium assistance provided under
8 the program.

9 (4) The total amount of expenditures incurred
10 (with administrative expenditures noted separately)
11 under the program as of the date of the report.

12 (j) APPROPRIATION.—

13 (1) IN GENERAL.—There is appropriated to
14 carry out this section such sums as are necessary for
15 each of fiscal years 2003 through 2007.

16 (2) OBLIGATION OF FUNDS.—This section con-
17 stitutes budget authority in advance of appropria-
18 tions Acts and represents the obligation of the Fed-
19 eral Government to provide for the payment of pre-
20 mium assistance under this section.

21 **SEC. 202. STATE OPTION TO PROVIDE TEMPORARY MED-**
22 **ICAID COVERAGE FOR CERTAIN UNINSURED**
23 **INDIVIDUALS.**

24 (a) STATE OPTION.—Notwithstanding any other pro-
25 vision of law, a State may elect to provide under its med-

1 icaid program under title XIX of the Social Security Act
2 medical assistance in the case of an individual who is—

3 (1) an eligible individual as defined in section
4 204(3);

5 (2) not eligible for COBRA continuation cov-
6 erage;

7 (3) otherwise uninsured; and

8 (4) whose assets, resources, and earned or un-
9 earned income (or both) do not exceed such limita-
10 tions (if any) as the State may establish.

11 (b) LIMITATION OF PERIOD OF COVERAGE.—Medical
12 assistance provided in accordance with this section shall
13 end with respect to an individual on the earlier of—

14 (1) the date the individual is no longer unin-
15 sured; or

16 (2) subject to subsection (c)(4), 18 months
17 after the date the individual first receives such as-
18 sistance.

19 (c) SPECIAL RULES.—In the case of medical assist-
20 ance provided under this section—

21 (1) the Federal medical assistance percentage
22 under section 1905(b) of the Social Security Act (42
23 U.S.C. 1396d(b)) shall be the enhanced FMAP (as
24 defined in section 2105(b) of such Act (42 U.S.C.
25 1397ee(b)));

1 (2) a State may elect to apply or disregard any
2 income, asset, or resource limitation permitted under
3 the State medicaid plan or under title XIX of such
4 Act;

5 (3) the provisions of section 1916(g) of the So-
6 cial Security Act (42 U.S.C. 1396o) shall apply to
7 the provision of such assistance in the same manner
8 as the provisions of such section apply with respect
9 to individuals provided medical assistance only under
10 subclause (XV) or (XVI) of section
11 1902(a)(10)(A)(ii) of such Act (42 U.S.C.
12 1396a(a)(10)(A)(ii));

13 (4) a State may elect to provide such assistance
14 in accordance with section 1902(a)(34) of the Social
15 Security Act (42 U.S.C. 1396a(a)(34)) and any as-
16 sistance provided with respect to a month described
17 in that section shall not be included in the deter-
18 mination of the 18-month period under subsection
19 (b)(2);

20 (5) a State may elect to make eligible for such
21 medical assistance a dependent spouse or children of
22 an individual eligible for medical assistance under
23 subsection (a), if such spouse or children are unin-
24 sured;

1 (6) individuals eligible for medical assistance
2 under this section shall be deemed to be described
3 in the list of individuals described in the matter pre-
4 ceding paragraph (1) of section 1905(a) of such Act
5 (42 U.S.C. 1396d(a));

6 (7) a State may elect to provide such medical
7 assistance without regard to any limitation under
8 sections 401(a), 402(b), 403, and 421 of the Per-
9 sonal Responsibility and Work Opportunity Rec-
10 onciliation Act of 1996 (8 U.S.C. 1611(a), 1612(b),
11 1613, and 1631) and no debt shall accrue under an
12 affidavit of support against any sponsor of an indi-
13 vidual who is an alien who is provided such assist-
14 ance, and the cost of such assistance shall not be
15 considered as an unreimbursed cost; and

16 (8) the Secretary of Health and Human Serv-
17 ices shall not count, for purposes of section 1108(f)
18 of the Social Security Act (42 U.S.C. 1308(f)), such
19 amount of payments under this section as bears a
20 reasonable relationship to the average national pro-
21 portion of payments made under this section for the
22 50 States and the District of Columbia to the pay-
23 ments otherwise made under title XIX for such
24 States and District.

1 **SEC. 203. STATE OPTION TO PROVIDE TEMPORARY COV-**
2 **ERAGE UNDER MEDICAID FOR THE UNSUB-**
3 **SIDIZED PORTION OF COBRA CONTINUATION**
4 **PREMIUMS.**

5 (a) STATE OPTION.—Notwithstanding any other pro-
6 vision of law, a State may elect to provide under its med-
7 icaid program under title XIX of the Social Security Act
8 medical assistance in the form of payment for the portion
9 of the premium for COBRA continuation coverage for
10 which an eligible individual does not receive a subsidy
11 under the premium assistance program established under
12 section 201 in the case of an eligible individual—

13 (1) who is also eligible for, and has elected cov-
14 erage under, COBRA continuation coverage;

15 (2) who is receiving premium assistance under
16 the program established under section 201; and

17 (3) whose family income does not exceed 200
18 percent of the poverty line.

19 (b) LIMITATION OF PERIOD OF COVERAGE.—Medical
20 assistance provided in accordance with this section shall
21 end with respect to an individual on the earlier of—

22 (1) the date the eligible individual is no longer
23 covered under COBRA continuation coverage; or

24 (2) 12 months after the date the eligible indi-
25 vidual first receives such assistance under this sec-
26 tion.

1 (c) SPECIAL RULES.—In the case of medical assist-
2 ance provided under this section—

3 (1) such assistance may be provided without re-
4 gard to—

5 (A) whether the State otherwise has elect-
6 ed to make medical assistance available for
7 COBRA premiums under section
8 1902(a)(10)(F) of the Social Security Act (42
9 U.S.C. 1396a(a)(10)(F)); or

10 (B) the conditions otherwise imposed for
11 the provision of medical assistance for such
12 COBRA premiums under clause (XII) of the
13 matter following section 1902(a)(10)(G) of the
14 Social Security Act (42 U.S.C.
15 1396a(a)(10)(G)), or paragraphs (1)(B),
16 (1)(C), (1)(D), and (4) of section 1902(u) of
17 such Act (42 U.S.C. 1396a(u)); and

18 (2) paragraphs (1), (2), (4), (5), (7), and (8)
19 of subsection (c) of section 202 apply to such assist-
20 ance in the same manner as such paragraphs apply
21 to the provision of medical assistance under that sec-
22 tion.

23 **SEC. 204. DEFINITIONS.**

24 In this title:

1 (1) ADMINISTRATOR.—The term “adminis-
2 trator” has the meaning given that term in section
3 3(16)(A) of the Employee Retirement Income Secu-
4 rity Act of 1974 (29 U.S.C. 1002(16)(A)).

5 (2) COBRA CONTINUATION COVERAGE.—

6 (A) IN GENERAL.—The term “COBRA
7 continuation coverage” means coverage under a
8 group health plan provided by an employer pur-
9 suant to title XXII of the Public Health Service
10 Act, section 4980B of the Internal Revenue
11 Code of 1986, part 6 of subtitle B of title I of
12 the Employee Retirement Income Security Act
13 of 1974, or section 8905a of title 5, United
14 States Code.

15 (B) APPLICATION IN STATES REQUIRING
16 COVERAGE.—Such term includes continuation
17 coverage provided in a State that has enacted
18 a law that requires such continuation coverage
19 even though the continuation coverage would
20 not otherwise be required under the provisions
21 of law referred to in subparagraph (A).

22 (3) ELIGIBLE INDIVIDUAL.—For purposes of
23 this section, the term “eligible individual” means an
24 eligible employee as defined in section 101.

1 (4) FEDERAL PUBLIC BENEFIT.—The term
2 “Federal public benefit” has the meaning given that
3 term in section 401(c) of the Personal Responsibility
4 and Work Opportunity Reconciliation Act of 1996 (8
5 U.S.C. 1611(c)).

6 (5) GROUP HEALTH PLAN.—The term “group
7 health plan” has the meaning given that term in sec-
8 tion 2791(a) of the Public Health Service Act (42
9 U.S.C. 300gg–91(a)), section 607(1) of the Em-
10 ployee Retirement Income Security Act of 1974 (29
11 U.S.C. 1167(1)), and section 4980B(g)(2) of the In-
12 ternal Revenue Code of 1986.

13 (6) HEALTH INSURANCE COVERAGE.—The term
14 “health insurance coverage” has the meaning given
15 that term in section 2791(b)(1) of the Public Health
16 Service Act (42 U.S.C. 300gg–91(b)(1)).

17 (7) MULTIEMPLOYER PLAN.—The term “multi-
18 employer plan” has the meaning given that term in
19 section 3(37) of the Employee Retirement Income
20 Security Act of 1974 (29 U.S.C. 1002(37)).

21 (8) POVERTY LINE.—The term “poverty line”
22 has the meaning given that term in section
23 2110(c)(5) of the Social Security Act (42 U.S.C.
24 1397jj(c)(5)).

1 (9) STATE.—The term “State” has the mean-
2 ing given such term for purposes of title XIX of the
3 Social Security Act (42 U.S.C. 1396 et seq.).

4 (10) STATE OR LOCAL PUBLIC BENEFIT.—The
5 term “State or local public benefit” has the meaning
6 given that term in section 411(c) of the Personal
7 Responsibility and Work Opportunity Reconciliation
8 Act of 1996 (8 U.S.C. 1621(c)).

9 (11) UNINSURED.—

10 (A) IN GENERAL.—The term “uninsured”
11 means, with respect to an individual, that the
12 individual is not covered under—

13 (i) a group health plan;

14 (ii) health insurance coverage; or

15 (iii) a program under title XVIII,
16 XIX, or XXI of the Social Security Act
17 (other than under such title XIX pursuant
18 to section 202).

19 (B) EXCLUSION.—Such coverage under
20 clause (i) or (ii) shall not include coverage con-
21 sisting solely of coverage of excepted benefits
22 (as defined in section 2791(c) of the Public
23 Health Service Act (42 U.S.C. 300gg–91(c)).

1 **TITLE III—OTHER BENEFITS**

2 **SEC. 301. TEMPORARY EXTENSION OF TEUCA FOR QUALI-**
3 **FYING INDIVIDUALS.**

4 (a) IN GENERAL.—Title II of the Job Creation and
5 Worker Assistance Act of 2002 (Public Law 107–147; 116
6 Stat. 21, 26) is amended by adding at the end the fol-
7 lowing:

8 **“SEC. 210. TEMPORARY EXTENSION OF TEUCA FOR QUALI-**
9 **FYING INDIVIDUALS.**

10 “(a) QUALIFYING INDIVIDUAL DEFINED.—For pur-
11 poses of this section, the term ‘qualifying individual’
12 means an individual who is or was eligible for unemploy-
13 ment benefits and who is an eligible employee, as defined
14 in section 101 of the Airline Worker Relief Act.

15 “(b) TEMPORARY EXTENSION, ETC.—For purposes
16 of determining eligibility for and the amount of any tem-
17 porary extended unemployment compensation which might
18 be payable to a qualifying individual, this title shall be
19 applied as if—

20 “(1) the provisions of the bill, H.R. 5491
21 (107th Congress), as introduced, had been enacted
22 into law on the date of enactment of the Airline
23 Worker Relief Act; and

24 “(2) the provisions referred to in paragraph (1)
25 applied only with respect to qualifying individuals.

1 “(c) PUBLICATION REQUIREMENT.—In publishing
 2 the Airline Worker Relief Act in slip form and in the
 3 United States Statutes at Large pursuant to section 112
 4 of title 1, United States Code, the Archivist of the United
 5 States shall include after the date of approval at the end,
 6 as part of an appendix, the text of the bill referred to in
 7 subsection (b)(1).

8 “(d) REGULATIONS.—The Secretary of Labor may
 9 prescribe any operating instructions or regulations nec-
 10 essary to carry out this section.”.

11 (b) CLERICAL AMENDMENT.—The table of contents
 12 of such Act is amended by adding after the item relating
 13 to section 209 the following:

“210. Temporary extension of TEUCA for qualifying individuals.”.

14 **SEC. 302. PREFERENCE FOR DISPLACED AIRLINE WORK-**
 15 **ERS IN HIRING OF AIRPORT SECURITY**
 16 **SCREENING PERSONNEL.**

17 Section 44935(e)(2) of title 49, United States Code,
 18 is amended—

19 (1) by striking the paragraph heading and in-
 20 serting “PREFERENCES.—”; and

21 (2) by adding at the end the following: “The
 22 Under Secretary also shall provide a preference for
 23 the hiring of an individual as a security screener if
 24 the individual is an eligible employee as defined in
 25 section 101 of the Airline Worker Relief Act.”.

1 **SEC. 303. PERFORMANCE INCENTIVE AWARDS FOR HIRING**
2 **ELIGIBLE EMPLOYEES.**

3 (a) PROGRAM OF PERFORMANCE INCENTIVE
4 AWARDS.—

5 (1) IN GENERAL.—The Under Secretary of
6 Transportation for Security shall carry out a pro-
7 gram, consistent with the provisions of this section,
8 of performance incentive awards to Federal Security
9 Managers designated under section 44933 of title
10 49, United States Code, to encourage the hiring of
11 eligible employees.

12 (2) PROGRAM TERM.—The Under Secretary
13 shall make performance incentive awards for each
14 fiscal year, beginning with fiscal year 2004, with re-
15 spect to services for eligible employees during the
16 preceding fiscal year.

17 (b) CRITERIA FOR ELIGIBILITY FOR AWARDS.—The
18 Under Secretary, in consultation with Federal Security
19 Managers, shall establish criteria for eligibility for per-
20 formance incentive awards for purposes of this section.

21 (c) DETERMINATION OF AMOUNT OF AWARD.—

22 (1) MEASURING FEDERAL SECURITY MANAGER
23 PERFORMANCE.—The Under Secretary shall deter-
24 mine the amount of a performance incentive award
25 to a Federal Security Manager under this section by
26 measuring the performance of the Manager in pro-

1 viding employment to eligible employees through em-
2 ployment service delivery systems, outreach pro-
3 grams, and other methods in the preceding fiscal
4 year.

5 (2) CONSIDERATIONS.—In determining the
6 amount of awards under paragraph (1), the Under
7 Secretary shall provide greater amounts to those
8 Federal Security Managers that the Under Secretary
9 determines furnished, in the preceding fiscal year,
10 the highest quality employment services based on
11 measures of performance.

12 (d) USE OF AWARDS.—The Under Secretary may
13 make an incentive award to a Federal Security Manager
14 under this section for 1 or more of the following purposes:

15 (1) To provide bonuses to supplement the an-
16 nual rate of basic pay of the Federal Security Man-
17 ager.

18 (2) For outreach efforts of the Federal Security
19 Manager in hiring eligible employees.

20 (3) For other activities carried out by the Fed-
21 eral Security Manager, consistent with security goals
22 and guidelines established by the Under Secretary.

1 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
2 authorized to be appropriated to carry out this section
3 \$50,000,000.

○